

April 10, 2000

AGENDA ITEM

For Meeting of: 4-13-00

SUBMITTED LATE

MEMORANDUM

TO:

The Commission

FROM:

Scott E. Thomas.

Commissioner

SUBJECT:

Revisions to the draft Financial Control and Compliance Manual

I have the following suggestions:

- 1. To avoid any confusion about whether the Preliminary Audit Report serves as the notice that satisfies the three-year requirement in the statute, page iv, line 8 should be revised by adding at the end of "Audit Report" the following: ", but the Audit Report will serve as the notice that must satisfy the three-year requirement of 26 U.S.C. § 9038(c)."
- On page iv, third bullet, line 5, the cite should be: "11 CFR 9034.4(e)(1)".
- 3. On page v, first bullet, there may some suggestion that all pre-nomination party spending must count as general election coordinated expenditures. As the Clinton and Dole audits revealed, the Commission may treat some pre-nomination spending as primary-related. This section could be reworded to delete the second sentence and substituting: "Reflecting prior practice, this expressly allows the parties to utilize their general election coordinated expenditure allowance before the nomination if they choose. Absent such a choice, the Commission will use the primary vs. general election spending rules at 11 CFR §9034.4(e) to determine whether party expenditures coordinated with a candidate's campaign are for the primary or general election."
- 4. On page vi, first line, delete "and".
- 5. On page 6, "Disclaimers", revise the second sentence to read: "A notice is required on any communication that (1) expressly advocates the election, or

defeat, of a clearly identified candidate or solicits a contribution **and (2)** is made through a broadcasting station, newspaper . . . ".

- 6. On page 72, the first paragraph under "Volunteer Websites", line 4, place a period after "campaign" and revise the next sentence to read: "Thus, If such individual chooses to prepare . . .".
- 7. In the last sentence on page 72, delete "then" from the second to last line, and delete "proposed" from the last line.
- 8. On page 73, first paragraph, third to last line, delete "without charge, or". A link with no charge might not be a contribution if that is the usual and normal charge.
- On page 73, second to last paragraph, line 1, delete "with various corporate entities".
- 10. On page 74, "Internet Polls", first paragraph, revise to read: "All Internet polls do not fall under the news media exemption. Generally, only Internet polls by entities whose activities fulfill the requirements of the "press exemption" could receive the benefit of 2 U.S.C. §431(9)(B)(i)."
- 11. On page 74, "E-mail", first paragraph, first line, change "its" to "a". In the second paragraph, second line, add a comma after "campaign".
- 12. On page 75, tast paragraph, last sentence, after "Therefore," delete "whatever the application of section 100.7(b)(4) with regard to downloaded Committee materials".